

Message Text

UNCLASSIFIED

PAGE 01 STATE 180824

66

ORIGIN NEA-10

INFO OCT-01 ISO-00 FEA-01 ACDA-10 CIAE-00 INR-07 IO-13

L-03 NSAE-00 NSC-05 EB-07 NRC-07 OES-06 DODE-00

ERDA-07 INRE-00 /077 R

DRAFTED BY NEA/INS:DKUX:EI

APPROVED BY OES/NET:MKRATZER

----- 095505

O 212242Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

AMCONSUL BOMBAY IMMEDIATE

UNCLAS STATE 180824

E.O. 11652:N/A

TAGS: TECH, IN

SUBJECT: TARAPUR HEARINGS

1. NRC JULY 20-21 HELD EXTENSIVE HEARINGS ON ISSUANCE OF LICENSE 845 FOR TARAPUR. PRINCIPAL WITNESSES OPPOSING THE LICENSE, IN ADDITION TO ELDON GREENBURG, AS SPOKESMAN FOR THE THREE PUBLIC INTEREST GROUPS (SIERRA CLUB, UNION OF CONCERNED SCIENTISTS AND NATURAL RESOURCES DEFENSE COUNCIL), WERE HERBERT SCOVILLE, FORMER ASSISTANT DIRECTOR OF ACDA, REPRESENTATIVE CLARENCE LONG OF MARYLAND, CARL MARCY, FORMER CHIEF OF STAFF OF THE SENATE FOREIGN RELATIONS COMMITTEE, AND ADRIAN FISHER, FORMER LEGAL ADVISER TO THE STATE DEPARTMENT AND DEPUTY DIRECTOR OF ACDA. DR. MICHAEL GULIN, ACTING DIRECTOR FOR INTERNATIONAL AFFAIRS OF THE NRC STAFF, SPOKE ON BEHALF OF THE NRC STAFF. SPEAKING FOR THE DEPARTMENT WAS DEPUTY ASSISTANT SECRETARY KRATZER, WHO TESTIFIED FOR A TOTAL OF SIX HOURS DURING THE TWO DAYS.

2. PRESENTATIONS COVERED EXPECTED GROUND AND THERE WERE NO UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 180824

MAJOR SURPRISES. OPPONENTS ARGUED THAT THE 1974 TEST RE-

QUIRED STRONGER U.S. RESPONSE THAN HERETOFORE AND URGED THE CUTTING OFF OF FURTHER SUPPLIES TO TARAPUR UNLESS INDIA ACCEPTED IAEA SAFEGUARDS ON ALL FACILITIES. SOME ALSO URGED THAT THE LICENSE BE TURNED DOWN UNLESS INDIA GAVE UP

ITS PNE PROGRAM.

3. OPPONENTS ARGUED THAT FURTHER SUPPLIES TO INDIA IN THE ABSENCE OF A CHANGE OF INDIAN POLICY WOULD SET BACK U.S. NON-PROLIFERATION OBJECTIVES. THERE WAS CONSIDERABLE CRITICISM OF PAST INDIAN ASSURANCES AND INDIAN PERFORMANCE UNDER EARLIER NUCLEAR AGREEMENTS SUCH AS THOSE WITH CANADA RELATING TO THE CIRUS REACTOR AND THE U.S. ON THE SUPPLY OF HEAVY WATER FOR CIRUS.

4. KRATZER ARGUED THAT WHILE THE U.S. WAS UNHAPPY WITH THE 1974 INDIAN TEST, IT WAS SATISFIED THAT THE 1963 AGREEMENT ON TARAPUR AS BUTTRESSED BY THE 1974 EXCHANGE OF LETTERS PROVIDED AN ADEQUATE BASIS TO PROCEED WITH FURTHER SHIPMENTS. KRATZER ALSO STATED THAT WE HAD NO BASIS TO BELIEVE INDIA HAD VIOLATED THIS AGREEMENT OR WAS UNCLEAR IN ANY WAY THAT WE WOULD REGARD THE USE OF OUR MATERIAL FOR AN EXPLOSIVE PROGRAM AS A CLEAR-CUT VIOLATION.

5. WITH REGARD TO THE 1956 AGREEMENT, KRATZER REVIEWED THE FACTUAL SITUATION ON THE USE OF U.S. HEAVY WATER, NOTING THAT IT WAS NOT UNDER SAFEGUARDS AND CO-MINGLED WITH INDIAN HEAVY WATER, AND THAT AT AN EARLY DATE INDIA HAD ITS OWN PRODUCTION FACILITIES IN OPERATION AND PRODUCED FROM THESE MANY TIMES THE AMOUNT THE U.S. SUPPLIED. KRATZER CHARACTERIZED THE CIRCUMSTANCES REGARDING THE INVOLVEMENT OF U.S. HEAVY WATER IN 1974 AS "AMBIGUOUS AND MURKY" AND STATED THAT WE WERE UNABLE TO REACH A CONCLUSION WHETHER INDIA HAD VIOLATED THE 1956 UNDERTAKING WITH US.

6. KRATZER SAID THAT A PRINCIPAL REASON WE SUPPORTED THE ISSUANCE OF THE LICENSE WAS OUR DESIRE TO MAINTAIN U.S. CREDIBILITY AS A RELIABLE NUCLEAR SUPPLIER. HE STRESSED OUR VIEW THAT THIS WOULD BE DAMAGED WERE WE TO INTERRUPT UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 180824

THE SUPPLY OF FUEL TO TARAPUR IN THE ABSENCE OF AN INDIAN BREACH OF THE 1963 AGREEMENT. KRATZER ALSO SAID WE DID NOT WANT TO CREATE A PRETEXT FOR INDIA NOT TO FULFILL ITS OBLIGATIONS UNDER THE AGREEMENT, SUCH AS THE SAFEGUARD PROVISIONS.

7. THERE WAS CONSIDERABLE DISCUSSION OF THE POSSIBILITY OF BUYBACK AND REPROCESSING. KRATZER CONFIRMED THE USG

INTENTION TO EXPLORE THE BUYBACK OPTION AT AN EARLY DATE WITH THE INDIANS AND TO REPORT FULLY ON THE COURSE OF THESE DISCUSSIONS TO THE NRC. WHILE EXPRESSING APPROVAL OF THE BUYBACK OPTION, OPPONENTS URGED THAT NO ACTION BE TAKEN ON 845 UNTIL ALL U.S. SPENT FUEL WAS REMOVED FROM INDIA.

8. WITH REGARD TO REPROCESSING, COMMISSIONER GALINSKY, WHO DISSENTED FROM THE NRC APPROVAL OF LICENSE 805, REITERATED HIS OPPOSITION TO THE POSSIBLE REPROCESSING OF U.S. FUEL IN INDIA. THIS, HE ARGUED, WOULD BADLY UNDERCUT OUR EFFORTS TO PREVENT EXPORT OF RE-PROCESSING FACILITIES TO OTHER COUNTRIES, ESPECIALLY PAKISTAN. IT WAS NOTED BY SEVERAL SPEAKERS THAT IF THE BUYBACK OPTION WERE EXERCISED, THE REPROCESSING ISSUE WOULD NOT ARISE.

9. COMMENTS: THE HEARINGS, WHICH WERE THE FIRST EVER UNDER THE ATOMIC ENERGY ACT ON AN EXPORT CASE, WERE WELL ATTENDED BY THE MEDIA, ALTHOUGH OF THE FOUR INDIAN CORRESPONDENTS PRESENTLY IN THE U.S., ONLY SAGAR OF "THE HINDU" AND UNNA OF "THE STATESMAN" WERE PRESENT. NEITHER KAMATH OF THE "TIMES OF INDIA" OR MENON OF "THE HINDUSTAN TIMES" WERE THERE. INDIAN EMBASSY SCIENCE COUNSELOR ANANDAKRISHNAN WAS PRESENT THROUGHOUT THE PROCEEDINGS. ROBINSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORT LICENSES, NUCLEAR FUELS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE180824
Document Source: CORE
Document Unique ID: 00
Drafter: DKUX:EI
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760281-0411
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760735/aaaabeiu.tel
Line Count: 140
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 26 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 MAY 2004 by chengls>; APPROVED <16 NOV 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TARAPUR HEARINGS
TAGS: TECH, IN
To: NEW DELHI BOMBAY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006